

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 486 - HB 845

April 6, 2021

SUMMARY OF ORIGINAL BILL: Increases, from 30 to 45, the number of days the Commissioner of the Alcoholic Beverage Commission (ABC) may extend the deadline for liquor-by-the-drink tax returns.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (006373): Deletes all language after the enacting clause. Authorizes multiple entities to sell alcoholic beverages for on-premises consumption, to obtain new or different licensure, or to allow for editing in current premises drawings or practices.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue - \$44,200/FY21-22/ABC Fund
\$38,200/FY22-23 and Subsequent Years/ABC Fund
\$287,100/FY21-22 and Subsequent Years/General Fund

Increase Local Revenue - \$233,900/FY21-22 and Subsequent Years/Permissive

Assumptions for the bill as amended:

General Assumptions:

- Any shifts in state or local revenue as a result of the additional 15 days that the Commissioner of ABC may grant for submission of liquor-by-the-drink tax returns is estimated to be not significant.

Fat Daddy's Inc.:

- This legislation applies to one entity located in Dover, Stewart County.
- It is assumed that Fat Daddy's Inc will seek a premier type tourist resort license; they do not currently have a license to sell on premises.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).

- A total increase in state revenue to ABC of \$2,300 (\$300 + \$2,000) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort.
- Because alcoholic beverages are currently sold at Fat Daddy's Inc, it is estimated that there will be no significant increase in sales or liquor-by-the-drink tax collections.

Brownfield Riverside Resort:

- This legislation applies to one entity located in Dover, Stewart County.
- It is assumed that Brownfield Riverside Resort will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 (\$300 + \$2,000) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Stewart County is 2.25 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$130,000 per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$18,521 $[(\$130,000 \times 7.0\%) - (\$130,000 \times 7.0\% \times 3.617\%) + (\$130,000 \times 15.0\% \times 50.0\%)]$.
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$14,504 $[\$1,500 + (\$130,000 \times 2.25\%) + (\$130,000 \times 7.0\% \times 3.617\%) + (\$130,000 \times 15.0\% \times 50.0\%)]$.
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

B&B Marina:

- This legislation applies to one entity located in Charleston, Bradley County.
- It is assumed that B&B Marina will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 (\$300 + \$2,000) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- An increase in local privilege tax of \$1,500. Any increase in local government expenditures for collecting local privilege taxes is estimated to be not significant.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Bradley County is 2.75 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$65,000 (\$130,000 x 50%) per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$9,260 [(\$65,000 x 7.0%) – (\$65,000 x 7.0% x 3.617%) + (\$65,000 x 15.0% x 50.0%)].
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$8,327 [\$1,500 + (\$65,000 x 2.75%) + (\$65,000 x 7.0% x 3.617%) + (\$65,000 x 15.0% x 50.0%)].
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

Roxy Theater:

- This legislation applies to one entity located in Clarksville, Montgomery County.
- According to ABC, The Roxy Theater is currently authorized to apply for a community theater license; the proposed legislation will allow them to redraw their premises for the purposes of serving alcoholic beverages in newly rented, owned, or renovated areas.
- Because alcohol sales currently take place at the Roxy Theater in Montgomery County it is estimated that any increase in liquor-by-the-drink taxes or sales and use taxes will be not significant.

Mike's Hideaway Bar & Grill:

- This legislation applies to one entity located in Stewart, Houston County.
- It is assumed that Mike's Hideaway Bar and Grill will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 (\$300 + \$2,000) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Houston County is 2.75 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$65,000 (\$130,000 x 50%) per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$9,260 $[(\$65,000 \times 7.0\%) - (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)]$.
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$8,327 $[\$1,500 + (\$65,000 \times 2.75\%) + (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)]$.
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

River Breeze Drive-in:

- This legislation applies to one entity located in Knoxville, Knox County.
- It is assumed that the River Breeze Drive-in and Event Venue will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).

- A total increase in state revenue to ABC of \$2,300 (\$300 + \$2,000) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- An increase in local privilege tax of \$1,500. Any increase in local government expenditures for collecting local privilege taxes is estimated to be not significant.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Knox County is 2.25 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$130,000 per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$18,521 $[(\$130,000 \times 7.0\%) - (\$130,000 \times 7.0\% \times 3.617\%) + (\$130,000 \times 15.0\% \times 50.0\%)]$.
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$14,504 $[\$2,000 + (\$130,000 \times 2.25\%) + (\$130,000 \times 7.0\% \times 3.617\%) + (\$130,000 \times 15.0\% \times 50.0\%)]$.
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

Sawbriar at Big South Fork

- This legislation applies to one entity located in Allardt, Fentress County.
- It is assumed that the Sawbriar at Big South Fork will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 (\$300 + \$2,000) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.

- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Fentress County is 2.5 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$65,000 ($\$130,000 \times 50\%$) per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$9,260 [$(\$65,000 \times 7.0\%) - (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)$].
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$8,165 [$\$1,500 + (\$65,000 \times 2.5\%) + (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)$].
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

South Jackson Civic Center:

- This legislation applies to one entity located in Tullahoma, Coffee County.
- It is assumed that the South Jackson Civic Center will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 ($\$300 + \$2,000$) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Coffee County is 2.75 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.

- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$130,000 per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$18,521 $[(\$130,000 \times 7.0\%) - (\$130,000 \times 7.0\% \times 3.617\%) + (\$130,000 \times 15.0\% \times 50.0\%)]$.
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$15,154 $[\$1,500 + (\$130,000 \times 2.75\%) + (\$130,000 \times 7.0\% \times 3.617\%) + (\$130,000 \times 15.0\% \times 50.0\%)]$.
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

Windy Hill Farm & Preserve:

- This legislation applies to one entity located in Loudon, Loudon County.
- It is assumed that the Windy Hill Farm & Preserve will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 $(\$300 + \$2,000)$ in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Loudon County is 2.0 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average

LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.

- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$65,000 ($\$130,000 \times 50\%$) per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$9,260 [$(\$65,000 \times 7.0\%) - (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)$].
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$7,840 [$\$1,500 + (\$65,000 \times 2.0\%) + (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)$].
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

Glen Campbell Museum and Rhinestone Stage:

- This legislation applies to one entity located in Nashville, Davidson County.
- It is assumed that the Glen Campbell Museum and Rhinestone Stage will seek a museum license.
- There is an initial application fee of \$300 and a \$150 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$450 ($\$300 + \150) in FY21-22 and an increase in state revenue to ABC of \$150 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$300 for a museum.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Davidson County is 2.25 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$65,000 ($\$130,000 \times 50\%$) per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$9,260 [$(\$65,000 \times 7.0\%) - (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)$].

- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$6,802 [$\$150 + (\$65,000 \times 2.25\%) + (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)$].
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

Iroquois Club:

- This legislation applies to one entity located in Nashville, Davidson County.
- It is assumed that the Iroquois Club will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 ($\$300 + \$2,000$) in FY21-22 and an increase in state revenue to ABC of \$200 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Davidson County is 2.25 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$65,000 ($\$130,000 \times 50\%$) per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$9,260 [$(\$65,000 \times 7.0\%) - (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)$].
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$8,002 [$\$1,500 + (\$65,000 \times 2.25\%) + (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)$].
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

Broadwest:

- This legislation applies to one entity located in Nashville, Davidson County, however it is estimated the three entities total will seek a premier type tourist resort license as a result of this legislation.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$6,900 $[(\$300 + \$2,000) \times 3]$ in FY21-22 and an increase in state revenue to ABC of \$6,000 $(\$2,000 \times 3)$ in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$4,500 $(\$1,500 \times 3)$ for a premier type tourist resort.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Davidson County is 2.25 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to \$130,000 per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$55,563 $\{[(\$130,000 \times 7.0\%) - (\$130,000 \times 7.0\% \times 3.617\%) + (\$130,000 \times 15.0\% \times 50.0\%)] \times 3\}$.
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$43,512 $\{[\$1,500 + (\$130,000 \times 2.25\%) + (\$130,000 \times 7.0\% \times 3.617\%) + (\$130,000 \times 15.0\% \times 50.0\%)] \times 3\}$.
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

Springbrook Golf & Country Club:

- This legislation applies to one entity located in Niota, McMinn County.
- It is assumed that the Springbrook Golf and Country Club will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).

- A total increase in state revenue to ABC of \$2,300 (\$300 + \$2,000) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in McMinn County is 2.75 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$130,000 per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$18,521 $[(\$130,000 \times 7.0\%) - (\$130,000 \times 7.0\% \times 3.617\%) + (\$130,000 \times 15.0\% \times 50.0\%)]$.
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$15,154 $[\$1,500 + (\$130,000 \times 2.75\%) + (\$130,000 \times 7.0\% \times 3.617\%) + (\$130,000 \times 15.0\% \times 50.0\%)]$.
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

CHI Memorial Stadium:

- This legislation applies to one entity located in Chattanooga, Hamilton County.
- It is assumed that CHI Memorial Stadium will seek a sports authority license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 (\$300 + \$2,000) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,000 for a sport authority.
- An increase in local privilege tax of \$1,000. Any increase in local government expenditures for collecting local privilege taxes is estimated to be not significant.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.

- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Hamilton County is 2.25 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$195,000 ($\$130,000 \times 150\%$) per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$27,781 [$(\$195,000 \times 7.0\%) - (\$195,000 \times 7.0\% \times 3.617\%) + (\$195,000 \times 15.0\% \times 50.0\%)$].
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$20,506 [$\$1,000 + (\$195,000 \times 2.25\%) + (\$195,000 \times 7.0\% \times 3.617\%) + (\$195,000 \times 15.0\% \times 50.0\%)$].
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

Orchard Farms:

- This legislation applies to one entity located in Franklin, Williamson County.
- It is assumed that the Orchard Farms will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 ($\$300 + \$2,000$) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Coffee County is 2.75 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.

- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$130,000 per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$18,521 $[(\$130,000 \times 7.0\%) - (\$130,000 \times 7.0\% \times 3.617\%) + (\$130,000 \times 15.0\% \times 50.0\%)]$.
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$15,154 $[\$1,500 + (\$130,000 \times 2.75\%) + (\$130,000 \times 7.0\% \times 3.617\%) + (\$130,000 \times 15.0\% \times 50.0\%)]$.
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

Highland Manor Winery:

- This legislation applies to one entity located in Jamestown, Fentress County.
- It is assumed that the Highland manor Winery will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 $(\$300 + \$2,000)$ in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Fentress County is 2.5 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average

LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.

- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$65,000 ($\$130,000 \times 50\%$) per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$9,260 [$(\$65,000 \times 7.0\%) - (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)$].
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$8,165 [$\$1,500 + (\$65,000 \times 2.5\%) + (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)$].
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

Loudon Marina:

- This legislation applies to one entity located in Friendsville, Blount County.
- It is assumed that the Loudon Marina will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 ($\$300 + \$2,000$) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Blount County is 2.75 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$65,000 ($\$130,000 \times 50\%$) per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$9,260 [$(\$65,000 \times 7.0\%) - (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)$].

- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$8,327 [$\$1,500 + (\$65,000 \times 2.75\%) + (\$65,000 \times 7.0\% \times 3.617\%) + (\$65,000 \times 15.0\% \times 50.0\%)$].
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

The Anakeesta Theme Park:

- This legislation applies to one entity located in Gatlinburg, Sevier County.
- It is assumed that the Anakeesta Theme Park will seek a premier type tourist resort license for two of its restaurants.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 ($\$300 + \$2,000$) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Blount County is 2.75 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$195,000 ($\$130,000 \times 150\%$) per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$27,781 [$(\$195,000 \times 7.0\%) - (\$195,000 \times 7.0\% \times 3.617\%) + (\$195,000 \times 15.0\% \times 50.0\%)$].
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$21,981 [$\$1,500 + (\$195,000 \times 2.75\%) + (\$195,000 \times 7.0\% \times 3.617\%) + (\$195,000 \times 15.0\% \times 50.0\%)$].
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

Tim's Ford Marina:

- It is assumed that Tims Ford Marina will seek a premier type tourist resort license.
- There is an initial application fee of \$300 and a \$2,000 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total increase in state revenue to ABC of \$2,300 (\$300 + \$2,000) in FY21-22 and an increase in state revenue to ABC of \$2,000 in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort.
- State and local sales taxes and a 15.0 percent liquor-by-the-drink (LBD) tax will be assessed on alcoholic beverage sales.
- The current state sales tax rate is 7.0 percent; the local option sales tax rate in Franklin County is 2.25 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- Pursuant to Tenn. Code Ann. § 57-4-306(a), 50.0 percent of the 15.0 percent LBD tax is allocated to the state General Fund and 50.0 percent is distributed to the local government.
- It is assumed that the establishment will begin selling alcohol in FY21-22.
- Based on historical LBD tax return data, the average taxable base per establishment is estimated to be approximately \$130,000 per year.
- Given current limitations on the availability of LBD sales data by venue type and size, it is assumed that there are three venue-type categories: smaller than average; average; and larger than average. For the purpose of estimating the tax base for entities authorized to conduct LBD sales pursuant to legislation, the following ratios relative to the average LBD taxable base for all sized entities are utilized: 50 percent for smaller than average; 100 percent for average; and 150 percent for larger than average.
- Given the size and location of this particular venue, the recurring increase in sales is estimated to be \$65,000 (\$130,000 x 50%) per year.
- The recurring increase in state revenue to the General Fund in FY21-22 and subsequent years is estimated to be \$9,260 [(\$65,000 x 7.0%) – (\$65,000 x 7.0% x 3.617%) + (\$65,000 x 15.0% x 50.0%)].
- The recurring increase in local revenue in FY21-22 and subsequent years is estimated to be \$8,002 [\$1,500 + (\$65,000 x 2.25%) + (\$65,000 x 7.0% x 3.617%) + (\$65,000 x 15.0% x 50.0%)].
- Any revenue collected from any state or local taxes imposed on manufacturers or wholesalers is estimated to be not significant.

Totals:

- The total increase in state revenue in FY21-22 to ABC is \$44,150 (\$2,300 + \$2,300 + \$2,300 + \$2,300 + \$2,300 + \$2,300 + \$2,300 + \$450 + \$2,300 + \$6,900 + \$2,300 + \$2,300 + \$2,300 + \$2,300 + \$2,300 + \$2,300 + \$2,300).
- The total increase in state revenue in FY22-23 and subsequent year to ABC is \$38,150 (\$2,000 + \$2,000 + \$2,000 + \$2,000 + \$2,000 + \$2,000 + \$2,000 + \$2,000 + \$150 + \$2,000 + \$6,000 + \$2,000 + \$2,000 + \$2,000 + \$2,000 + \$2,000 + \$2,000 + \$2,000).
- The total increase in state revenue to the General Fund in FY21-22 and subsequent years is \$287,070 (\$18,521 + \$9,260 + \$9,260 + \$18,521 + \$9,260 + \$18,521 + \$9,260 +

\$9,260 + \$9,260 + \$55,563 + \$18,521 + \$27,781 + \$18,521 + \$9,260 + \$27,781 + \$9,260 + \$9,260).

- The total increase in local revenue in FY21-22 and subsequent years is \$233,926 (\$1,500 + \$14,504 + \$8,327 + \$8,327 + \$14,504 + \$8,165 + \$15,154 + \$7,840 + \$6,802 + \$8,002 + \$43,512 + \$15,154 + \$20,506 + \$15,154 + \$8,165 + \$8,327 + \$21,981 + \$8,002).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid.

Krista Lee Carsner, Executive Director

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